

SENATE RECORD VOTE ANALYSIS

105th Congress
2nd Session

Vote No. 274

September 17, 1998, 2:00 p.m.
Page S-10472 Temp. Record

BANKRUPTCY REFORM/Credit Restrictions for Young Adults

SUBJECT: Consumer Bankruptcy Reform Act . . . S. 1301. Grassley motion to table the Dodd amendment No. 3598 to the Grassley/Hatch substitute amendment No. 3559 to the committee substitute.

ACTION: MOTION TO TABLE AGREED TO, 58-40

SYNOPSIS: As reported with a substitute amendment, S. 1301, the Consumer Bankruptcy Reform Act, will enact reforms to prevent creditors who have the means of paying their debts from unjustly filing for bankruptcy, and will enact reforms to protect consumers from unfair credit practices.

The Grassley/Hatch substitute amendment would retain the underlying substitute amendment's provisions, would modify the pre-bankruptcy counseling requirement, and would add provisions relating to business bankruptcies.

The Dodd amendment would make it illegal for anyone under the age of 21 years to get a credit card unless his or her parent or guardian agreed in writing to assume joint liability for any debts incurred on the card or unless he or she were able to give proof that he or she had independent means of repaying any debt incurred.

Debate was limited by unanimous consent. After debate, Senator Grassley moved to table the amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

Those favoring the motion to table contended:

This debate is truly astounding. Many of the very same liberal Senators who say that 12-year-old "young women" should be able to get abortions without parental consent or even notification are now saying that 18- to 20-year-old "children" should not be able to get credit cards without their parents' permission. Their concern is that many college students are irresponsible and are piling up consumer debt that they have difficulty repaying. We note that not everyone goes to college. Millions of Americans are on their own and working to support their families by age 18 and even younger. It would be demeaning to require these emancipated adults to

(See other side)

YEAS (58)			NAYS (40)			NOT VOTING (2)	
Republicans (51 or 94%)	Democrats (7 or 16%)		Republicans (3 or 6%)	Democrats (37 or 84%)		Republicans (1)	Democrats (1)
Abraham	Hutchison	Biden	Coats	Akaka	Kennedy	Coverdell- ²	Hollings- ²
Allard	Inhofe	Feingold	D'Amato	Baucus	Kerrey		
Ashcroft	Jeffords	Glenn	Smith, Gordon	Bingaman	Kerry		
Bennett	Kempthorne	Johnson		Boxer	Landrieu		
Bond	Kyl	Kohl		Breaux	Lautenberg		
Brownback	Lott	Reid		Bryan	Leahy		
Burns	Lugar	Robb		Bumpers	Levin		
Campbell	Mack			Byrd	Lieberman		
Chafee	McCain			Cleland	Mikulski		
Cochran	McConnell			Conrad	Moseley-Braun		
Collins	Murkowski			Daschle	Moynihan		
Craig	Nickles			Dodd	Murray		
DeWine	Roberts			Dorgan	Reed		
Domenici	Roth			Durbin	Rockefeller		
Enzi	Santorum			Feinstein	Sarbanes		
Faircloth	Sessions			Ford	Torricelli		
Frist	Shelby			Graham	Wellstone		
Gorton	Smith, Bob			Harkin	Wyden		
Gramm	Snowe			Inouye			
Grams	Specter						
Grassley	Stevens						
Gregg	Thomas						
Hagel	Thompson						
Hatch	Thurmond						
Helms	Warner						
Hutchinson							

EXPLANATION OF ABSENCE:

- 1—Official Business
- 2—Necessarily Absent
- 3—Illness
- 4—Other

SYMBOLS:

- AY—Announced Yea
- AN—Announced Nay
- PY—Paired Yea
- PN—Paired Nay

get their parents' permission before they could get credit cards, and in many cases it would be impossible. Passing the Dodd amendment would result in tremendous hardships for such Americans. People who are just getting started in their working careers can often suffer temporary setbacks that use up any meager savings they have and that make it necessary for them to borrow money to get by for a month or two. Credit cards can get the cash that is needed to buy a suit for a job interview, to pay for a car repair, or just to make rent payments when between jobs. While it is true that some pampered, unemancipated college students irresponsibly pile up credit card debt, it is also true that many very responsible young adults need access to credit. The Dodd amendment would deny them that access. We therefore strongly urge our colleagues to reject this amendment.

Those opposing the motion to table contended:

According to the Chicago Tribune, the average college freshman will receive 50 credit card solicitations during his or her first few months at college. In many cases, a line of credit of \$10,000 is offered solely on the basis of a signature and a student identification card. Credit card companies market aggressively to these kids because they are new customers who have not had credit before, and because most people are "brand loyal"--they will typically use their first credit card for up to 15 years. One survey of college students found that 27 percent of them had 4 or more credit cards, 14 percent of them had debt between \$3,000 and \$7,000, and 10 percent of them had debt of more than \$7,000. Many of these kids cannot handle the debt they are incurring--Americans under 25 now account for 8.7 percent of all bankruptcy filings. This problem is relatively new--the number of such filings has doubled in the last 5 years. We do not think that it is any coincidence that this surge in bankruptcies parallels the explosion in credit solicitations of college students. Every State in the country already has set a drinking-age limit of 21 years in recognition of the fact that people who are 18 to 20 years old may be adults but they still are not mature enough, on average, to drink responsibly. The same principle should now be applied for obtaining credit cards. The Dodd amendment would not stop young adults who work from getting credit cards if they could show that they had the independent means needed to repay their debts. It would only apply to non-working adults, and it would principally apply to non-working college students. This proposal is reasonable and needed. We therefore oppose the motion to table.